



Bayfield County Administrator

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September 9, 2021:

Honorable County Board Chair Dennis Pocernich, Vice Chair Fred Strand, Executive Committee Chair Brett Rondeau, Vice Chair Jeff Silbert and County Board Members:

Attached please find the 2022 Proposed Budget for Bayfield County. This budget addresses County Board Supervisor and community priorities with a continued focus on county highway infrastructure.

County equalized valuations increased in 2021, up 7%, the largest increase in over a decade. The 2022 budget tax levy is proposed to increase \$171,918 due primarily to increases in Town Bridge Aid (\$133,341) in 2022 and a \$58,239 increase in levy authority used to fund department position support in 2022 as shown in the Personnel Section of the budget.

The anticipated valuation increase will help reduce the proposed levy by over .25 mills from an average of 4.18 mills in 2021 to 3.93 mills in 2022.

A proposal for a third year of short-term bonding for county highway reconstruction is included in the budget to continue the 20-year reconstruction cycle with 8.9 miles of reconstruction proposed in 2022. This Board initiative has received consistent and widespread community support. Short-term transportation bonding in the amount of \$1.65 million is included in the budget. The cost for the bond equates to a cost of approximately \$56 per year for a homeowner with a \$100,000 home.

The 2022 budget proposes a tax levy of \$11,484,814, an increase of \$171,918 from 2021. An overall budget of \$37,085,248 is proposed. This represents a 19.28% increase over 2021. This increase is largely due to utilization of fund balances for several major projects scheduled in 2022 (Highway, Delta Landfill, Forest Land Acquisition and the Annex/Jail Roof projects) in addition to \$1.64 million in state and federal (ARPA) pandemic funds expenditures planned for 2022.

The 2022 budget continues support for core county responsibilities and priorities including Public Safety, Health and Human Services. Significant expenditures across the budget are proposed to support these core services including: major HVAC improvements, Annex/Jail Roofs, Emergency Radio Communication Infrastructure, microgrid/generator initiatives, and senior meal delivery / wellness initiatives in Human Services. While the 2021 budget was the smallest since 2017, the 2022 budget is the largest. This is largely a result of the above major projects and expenditure streams coinciding in 2022. These include the Delta Landfill Remediation (\$600k), several years of planning forestry/tribal land acquisition and transfer projects (\$800k), the Annex/Jail Roof Project (\$500k), Highway Project Transfers (\$500k) and

American Rescue Act Funding (ARPA), (\$1.64 million). The good news is that most of these projects have corresponding revenues to support them (Delta, Land acquisition, ARPA). The other two major projects Highway Transfers and Annex Roof are from dedicated fund balance reserves with funds assigned for these purposes.

The 2022 Budget Proposal includes expenditures of \$37 million. In 2021 operating revenue shortfalls led to reduced capital funding. Improving revenue streams in the Highway Department as a result of grant, matching funds and additional state highway maintenance projects together with reduced personnel expenses due to health insurance surcharge reductions (\$400,000 decrease), have helped to stabilize county operating funds. Major capital expenditures including the projects noted above, together with proactive county board policies, will help reduce future operating costs while improving overall financial conditions through revenue increases in the county.

In 2021 budgeted revenues in the county Treasurer's Office and the Forestry Department were estimated to drop \$600,000. Due to very low interest rates, Treasurer funds continue to decline as rates are at all-time lows (.03% range). On the positive side, Forest revenues in 2021 will meet and exceed initial projections. A cautiously optimistic estimate in 2022 increases revenues over expenditures by \$50,000 for a net forestry return to the General Fund of over \$1.77 million.

BALANCING THE OPERATING BUDGET:

In 2021, \$250,000 in fund balance was proposed to balance the operating budget. Due to better than expected forest revenues (as of August, forestry has exceeded its annual budget estimate), supplemental state and federal funding and reductions in operating expenses due to COVID, this fund balance injection is NOT anticipated to be needed to balance operating costs.

In 2022, a reduced amount of fund balance, \$137,742 is included to balance the General Fund operational budget. This is justified based on projects planned and their future savings projections on county budgets in addition to the county's very conservative revenue and expenditure estimates. This is not a recommended long-term strategy for the county. However, during times of emergency, continued responsible investment in county services helps ensure that residents are able to resume normal lives.

Overview: This budget strives to be a responsible financial planning tool. Conservative revenue estimates and expenditures based on historic trends, together with anticipated changes make for a responsible budget. Most importantly, this budget continues focuses on being responsive to residents and addressing citizen needs in a cost-effective manner with the goal of improving lives.

The 2020 and 2021 budgets scaled back operating expenditures in anticipation of tighter financial times. Since then, ending balances have improved. End of August 2021 County Treasurer Balances are \$25.7 million, up \$5 million over 2020. \$1.5 million of this is American Recovery Act funds. Additional funds are held in escrow for 2022 project expenditures.

In 2021 the County Board updated *assigned* fund balances, allowing for General Fund savings to be used for priority projects. Two of these projects are proposed in 2022. These include \$500,000 for the jail/annex roof and \$500,000 for 2022 Highway Reconstruction Projects.

Challenges and Opportunities

1. COVID19 continues to impact county operations in a major way. The rollercoaster incident rates, diverse impact on employees, families and residents continues to create stress and uncertainty. County precautions continue in multiple ways including enhanced cleaning, Ionization, UV light protocols, improved air handling projects, office barrier enhancements, technology improvements for remote access of services, equipment such as metal detectors and jail body scanners and ensuring adequate PPE availability.
2. The Information Technology Department continues to work with departments daily as it relates to remote work options. The County Board's directive to move to laptops has assisted this greatly. In 2020 the Board approved Virtual Desktops allowing computational intense work to be done remotely. This also has had a significant impact, allowing county operations to continue.
3. State levy limits remain in place. The net new construction in Bayfield County is .66%, allowing for an additional estimated \$58,239 in new levy authority in 2022.

This document meets the requirements listed under Wisconsin State Statute, 59.18, section 5, requiring the submission of an annual budget by the County Administrator. Attached is a balanced budget in compliance with State Budget law utilizing the allowable levy limits for Bayfield County as provided by the Wisconsin Department of Revenue. This budget addresses the long-term financial responsibilities of the County following County Board of Supervisor directives.

Budget Philosophy In Extraordinary Times:

Bayfield County has historically focused local tax dollars in three high service areas: Public Safety, Highway and Human Services. In 2020 these three departments represented 86% of the tax levy, in 2021 89%, in 2022 it drops to 83%. The other 21 county departments make up the remaining 17% of the levy (\$1.9 million)

Constitutional officers of the County including the County Clerk, Clerk of Court, Treasurer, Register of Deeds, Coroner and Sheriff are elected by the people at large and are responsible to uphold the constitution and laws of the State of Wisconsin. Whether it is procedures for recording property, holding fair elections, following parliamentary procedure, ensuring due process and adherence to laws, proper taxation or death investigations, these positions are critical to make sure there is a connection between the people and Bayfield County Government.

Historically, Bayfield County supports efforts that achieve the county mission of:

“Providing government services in an accessible, transparent, and cost-effective manner to our citizens.”

To achieve this, the Bayfield County Budget strives to have operating expenditures met with expected and customary revenues. One-time revenues (budget surpluses) are used on one-time capital expenditures but not for ongoing program support that require recurring revenue streams. This concept helps guide use of fund balance.

During these extraordinary times, however this budget includes \$137,742 in fund balance for General Fund Operations in 2022. The rationale is three-fold

1. Forestry markets are anticipated to improve making up for this shortfall in future years. (This is beginning to occur in 2021)
2. County fund balances remain strong and have improved over the past year. These funds are being put into use now on designated priority projects with long term benefit and return to the residents of the county.
3. Continued analysis without major change during tumultuous times will give the county time to carefully consider structural changes in the organization that may be necessary.

This budget uses a conservative approach towards revenues. Historically the budget underestimates expenditures as well. In 2021 departments were asked to find ways to cut back on normal expenditures to meet budget and reduce expenses. Many of these were incorporated into department budgets. A list of these proposals is available for further review. In the past, annual surpluses that occur were used for capital purchases that support the county mission and better position Bayfield County in the future. Ensuring the availability of these reserves is critical for future planning.

In 2019 and 2020 Bayfield County began contributing some of its “operating” funds towards capital expenditures, as revenue streams and surpluses lessen. The purpose was to internalize capital spending with operating dollars. This effort was curtailed in 2021 and 2022 due to rising costs. It is an important goal to keep site of. In 2022, capital projects are funded with fund balances.

The model of a sustainable operating budget is critical to protect county interests and its ability to operate during difficult and uncertain times. Examples of this uncertainty include changing state tax laws, severe weather, natural disasters, pandemics, substance abuse, unexpected impacts on county departments, timber prices and interest rate fluctuations.

Forward thinking policies and planning that protect the county during times of economic downturns are critical to help buffer county communities. Examples of this include the county’s flexible work policies, attracting a wider group of employees to employment and the Telecommuting Forward initiatives for home and rural businesses that extend broadband connectivity to the far reaches of our county, allowing work from home. This single policy focus area is assisting in bringing more residents to Bayfield County due to broadband capacity. Published CENSUS 2020 reports, listing an 8% increase in population may be indicative of this.

County financial policies ensuring adequate reserves and a formal wage and benefit plan together with investments in projects that include a financial return help ensure a healthy financial future for Bayfield County.

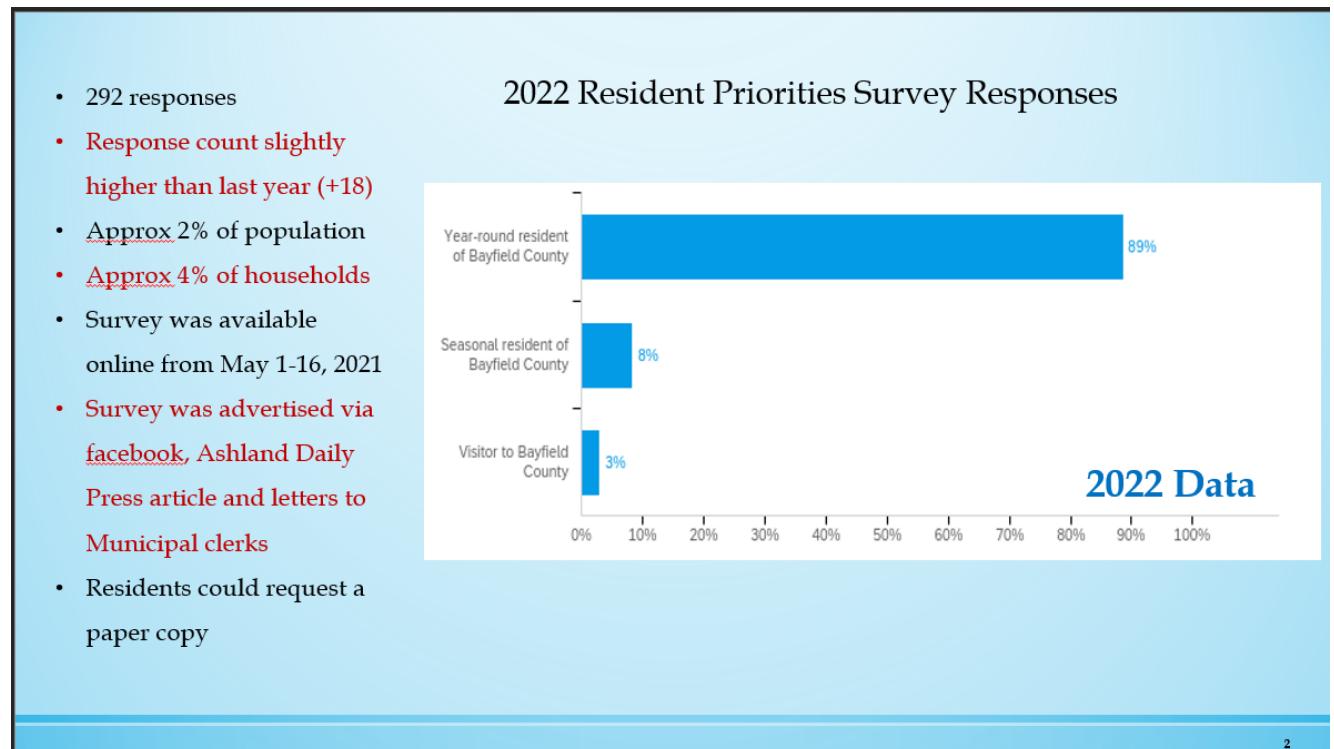
Recommendations for 2022:

1. The Pandemic has increased remote meetings. While there is no substitute for in-person interactions, savings can be significant. Reduced mileage, food and lodging expenses are very quantifiable. In 2020 alone, county fleet mileage was reduced by 20% (80,000 miles). The less quantifiable and perhaps more valuable difference however is the time aspect. Two-hour meetings in Spooner that span the length of a day, are now 60-minute ZOOM meetings. Balancing or alternating may be a cost-effective financial tool for county departments and the Board in the years ahead.

2. Projects undertaken by the County continue to focus on future earnings and savings generated in addition to the provision of quality core services to the community.
3. Coordinated response. Enhanced county planning and coordination is critical to efficient operations. Increase collaboration and communication amongst can create long term savings and generate improved operations. The proposed 10-year facility assessment is one example of this.

Budget Direction

In addition to monthly county board and committee meetings, the Bayfield County Board annually plans for the upcoming budget. The Board begins this process with a public survey in the Spring. UW Madison Extension works collaboratively to prepare and implement a public survey designed to gather input and feedback from residents and board supervisors alike. A budget planning meeting is then held by the Board to share feedback and set directions for the new year. In May of 2021, results of the Spring budget survey were shared. A summary of responses is shown below:

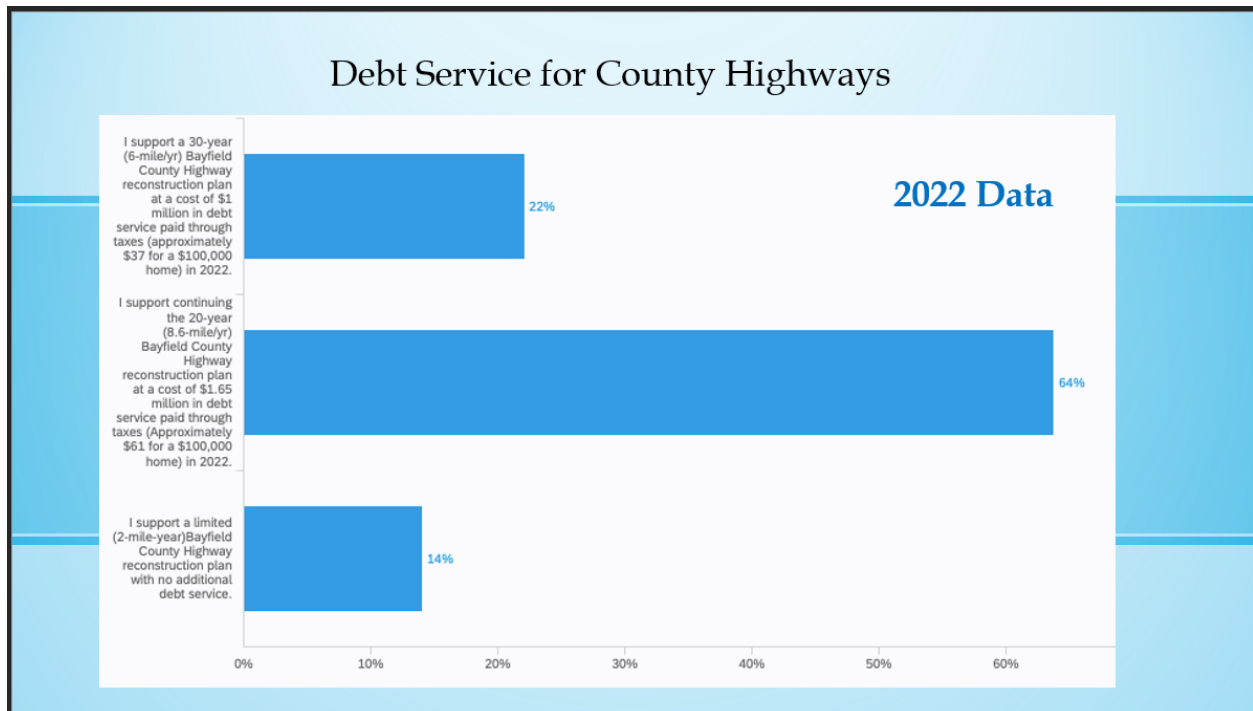


The “Top County Budget Priorities” question showed the following on the top of County Board list:

- Groundwater and Surface Water Protection
- Services to Seniors and Nursing Home Support
- Public Health Services

RESIDENT PRIORITIES 2020	RESIDENT PRIORITIES 2021	RESIDENT PRIORITIES 2022		SUPERVISOR PRIORITIES 2022	SUPERVISOR PRIORITIES 2021	SUPERVISOR PRIORITIES 2020
Protecting groundwater and surface water resources	Protect groundwater and surface water resources	cell coverage and broadband service	#1	groundwater and surface water resource protection	Maintain county highway infrastructure	Maintain road/highway infrastructure
Maintain road/highway infrastructure	Foster economic/business development and job retention	economic development and job retention	#2	services for seniors & nursing home support	Protect groundwater and surface water resources	economic and business development
Combating opioid addiction	Maintain county highway infrastructure	groundwater and surface water resource protection	#3	public health services	Maintain services for seniors / nursing home	services for elderly
economic and business development	Provide cell coverage/broadband to un-served areas of the County	county highway infrastructure	#4	public safety & law enforcement	Increase Public Health services including contact tracing, etc.	Protecting groundwater and surface water resources
public safety/law enforcement/crime prevention	Combat substance abuse	public safety & law enforcement	#5	economic development and job retention	Provide cell coverage/broadband to un-served areas of the County	Combating opioid addiction
services for elderly	Maintain services for seniors / nursing home	substance abuse prevention	#6	cell coverage and broadband service	Foster economic/business development and job retention	public safety/law enforcement/crime prevention
Improve cell coverage to underserved areas of the County	Increase Public Health services including contact tracing, etc.	services for seniors & nursing home support	#7	county highway infrastructure	Combat substance abuse	Improve cell coverage to underserved areas of the County
programs for youth	Park and trail improvements and new recreational opportunities	parks, trails & recreational opportunities	#8	parks, trails & recreational opportunities	Park and trail improvements and new recreational opportunities	Park and trail development
Park and trail development	Enhanced public safety/law enforcement/crime prevention strategies	public health services	#9	substance abuse prevention	Enhanced public safety/law enforcement/crime prevention strategies	programs for youth
	Grow youth programming	youth programming	#10	workforce housing	Expand Public Transportation options	
	Expand Public Transportation options	public transportation	#11	diversity, equity & access	Grow youth programming	
		workforce housing	#12	youth programming		
		diversity, equity & access	#13	public transportation		

In anticipation of possible debt service issuance for County Highways residents were surveyed. 64% of responders supported the 20-year plan.



The following survey priorities are addressed in the budget as follows:

- **Groundwater and Surface Water Protection:** The 2022 budget includes staff time and funding for an artesian well study, it also includes additional funding for land conservation staffing. Mitigation efforts to protect ground water, reinforce roadways susceptible to high water levels are ongoing. Ground and surface water hydrologic maps for land use planning are now in place allowing for decision making that takes into account susceptible areas. These will be included as a key resource in the Comprehensive

Planning process beginning in 2022. Land Conservation continues to work with property owners to reduce erodible lands and protect water quality through enhanced barnyard and feedlot protections. Funding of repairs and engineering for County Highway N at Pigeon Lake is included in 2021 and 2022 budgets.

- Services to Seniors and Nursing Home Support: Bayfield County continues a strong partnership with Northern Lights Health Care the only nursing home in the County. Bayfield County wrote and received a \$258,000 Community Development Block CV Grant for Northern Lights HVAC improvements. Project is under design with construction anticipated in 2022. Bayfield County also committed \$300,000 of ARPA funding for generator and sewer improvements at the nursing home which are also planned for 2022 and included in the 2022 budget.

County support for senior programs and meals within Human Services remains a top priority of the Human Services and County Boards. The 2022 budget includes the first year of a new Elder Services position as well as funding for meal delivery vehicles.

- Public Health Services continue to be a priority during the pandemic. The 2022 budget includes additional staffing dollars for public health nurses, contact tracers and vaccine assistants. State and Federal dollars have been used to ensure adequate infrastructure is in place for future vaccine and testing. Much of this funding is through ARPA and state Health Department grants. Priority continues to be given to Public Health requests for assistance.

PREVIOUS YEAR PRIORITIES

- **BROADBAND AND INTERNET:** In 2021 Bayfield County has made application for a State Broadband Grant serving over 500 households south of Washburn towards the roundabout and in the Eau Claire Lakes region of Barnes. County commitment towards this is \$261,000 and is included in the 2022 ARPA budget. This project is dependent on a state broadband grant award.
- **COUNTY HIGHWAYS:** The proposed 2022 budget continues the 20-year reconstruction plan. 2022 projects include the following projects totaling approximately 8.9 miles
 - County Highway J, County Highway 13 south, to County Highway 13 north.
 - County Highway I, County J to Soccer Field Road.

2022 Financial Budget Overview

The 2022 all-fund budget proposes an increase in overall expenditures of 19.28% with an estimated average .251 county mill **decrease**. An average mill rate proposal of 3.93 mills will result in an overall levy increase of \$171,918 in 2022 for a total levy of \$11,484,814 with expenditures of \$37,085,248.

Fund balance utilization will increase with the 2022 budget. These funds include prior year balances from the General, Highway, Capital Improvement, Animal Control, Jail Assessment and Employee Health Funds.

- *In 2018: \$3.1 million was budgeted .*
- *In 2019: 2.36 million was budgeted*

- *In 2020: \$1.35 million was budgeted*
- *In 2021: \$2.23 million was budgeted*
- *In 2022: \$3.1 million is proposed*

Proposed Fund Balances Detail Applied in the 2022 Budget:

General Fund:	\$1,960,840 includes \$30,000 (forestry non-lapsing line item balances)
Highway:	\$198,571
Capital Improvement	\$882,659
Animal Control Fund	\$2,780
Health Reserve Fund	\$60,000
Jail Assessment	\$5,000
TOTAL:	\$3,109,850 million

2022 Levy Distribution by Fund

Bayfield County spreads levy dollars amongst six funds, here are the amounts and changes proposed for 2022:

- Highway \$3.48 million, **no change**.
- Human Services \$1.817 million, **no change**
- General Fund Levy: \$5.725 million up 3.1% from 2021.
- General Fund Additional Levies:
 - Bridge Aide, \$133,341 increase.
 - Library (\$373k, down \$19k from 2021.
 - Net new construction allowances (\$58,239)
- Debt Service: \$444,493 down from \$445,042 in 2021.
- Veterans Relief: \$1500, **no change from 2021**.
- Dog License: \$13,000, **no change from 2021**.

The total proposed levy for 2022 is: \$11,484,814 with an average countywide levy of 3.93 mills. This is down .25 mills from 2021.

Expenditures by Major Fund Review

The County's four major funds, General, Highway, Human Services and Capital Improvements make up 97% of overall expenditures. Here are the proposed fund expenditure changes for 2021 in comparison with 2020

General Fund : +9% increase

Human Services -7% decrease

Highway 21% increase

Capital Improvement 121% increase A listing of projects is in the Capital Improvements Section.

Debt Service 0% change

County Wide Factors to Consider:

- 2022 is the fifth year over the past decade with a positive increase in valuation. Total equalized value increased 7% in 2021. Increased valuation helps to reduce the mill rate.
- Up until 2021, the highest equalized value was from 2010 at \$2.76 billion. This was surpassed in 2021 for the first time.
- Interest earnings are projected to drop by 32% in 2022, on top of a 23% in 2021.
- The county economy relies heavily on forestry revenues. Low market prices continue to limit earnings.
- Sales Tax was projected to tumble in 2020 and 2021. The opposite has happened with record increases in 2020 and 2021. Formal estimates are not yet available. \$1.4 million is included as a place holder. Formal estimates will be released in the next week.
- Protecting environmental resources are a top priority for residents. The Large-Scale Livestock Committee established a check list of projects in 2016. The Hydrologic Atlas was completed in 2019 with final reports submitted in 2020. The Chronic Wasting Disease Prevention project was established in 2019 and continues this year. Capping of abandoned wells to protect ground water remains a county priority but progress is very slow with only a few abandoned wells capped each year. New efforts in 2022 include an Artesian well analysis. Renewed efforts in 2022 will be proposed. County departments are working actively to educate residents on these topics and disseminate information for future planning. Sharing these resources and communicating with residents about them is an expectation of the Board.
- The 2022 budget includes funds for a county wide facility (building) assessment allowing for coordinated annual projects. This will allow for mobilization fee reductions and larger project economies where possible.
- Forestry continues as a critical industry for Bayfield County. It is an economic driver for both the community and local government. Continued careful planning will protect this for the future. In 2022/2023 carbon sequestration is anticipated to become an important forest component.

Levy and Mill Rate Calculations:

Wisconsin levy limits remain in place for 2022. State law limits the base tax rate to the previous year's tax level plus net new construction. For Bayfield County the base levy amount is \$8,837,546 for all funds.

There are several exceptions to the levy limit. These expenditures can go above the levy limit. These include Debt Service, Net-New construction, Libraries, Bridge Aid and Unreimbursed Disaster Relief. In 2022 these exemptions total \$2,659,300 an increase of \$27,000 from 2021. Here are the levy limit exceptions in 2021.

1. **Net New Construction:** Net new construction is .66%, this equals \$58,239 in additional levy authority for the county.
2. **Library expenses:** \$373,227, a slight reduction from 2021.
 - a. Bayfield County Libraries: \$234,810
 - b. Northern Waters Library: \$37,581
 - c. Act 420 (adjacent county) Libraries: \$100,836
3. **Bridge Aid:** Available to towns for small bridges, over 36": The request for funding is \$133,341 spread over 5 towns. Details in the Interdepartmental (00) Section of the budget.

4. Debt Service: This is for the Northern Lights General Obligation Bond held by Bayfield County and the short term (1 year) Highway Bond

- a. Northern Lights: \$444,549
- b. Highway: \$1,650,000

Combined, the above plus the base levy of \$8,837,546 results in a total proposed levy of \$11,484,814 for 2022.

The proposed budget has an *average* mill rate of 3.93 mills based on a valuation of \$2.9 billion. This represents a .25 mill levy decrease.

IMPORTANT POLICY DISCUSSIONS:

In working through the budget, several important policy topics have become apparent that necessitate additional discussion and review.

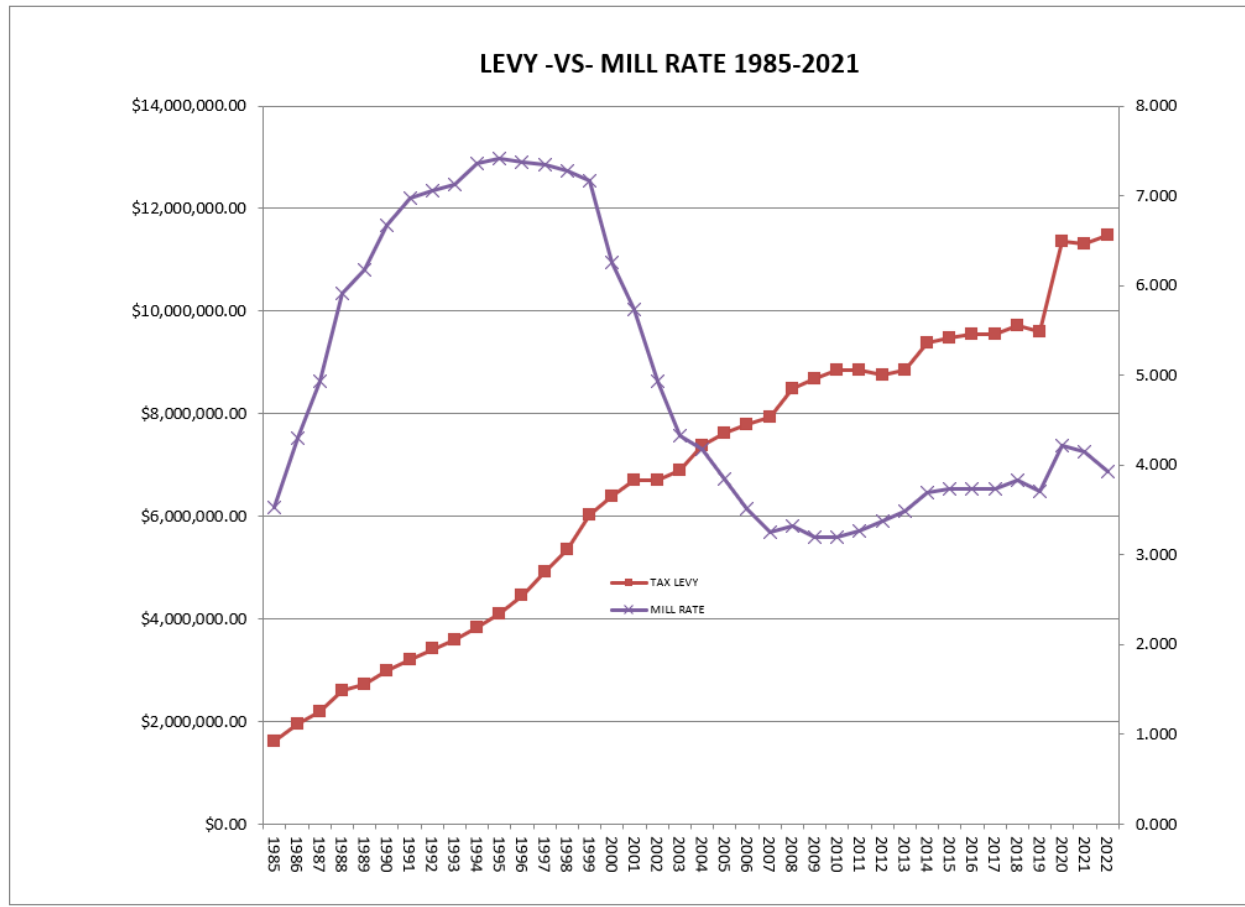
1. Staffing: Staff retention and recruitment remains a challenge. Continuing to index wages is important as well as challenging in these economic times. A 2% indexing is included in the county wage scale. Union adjustments are negotiated. The budget includes a proposal for a county wide wage study update.
2. Highway Funding: The proposed budget includes a third year of short-term borrowing for highway projects. \$1.65 million is proposed in 2022. Increases in highway expenditures results in increases in state aids which has benefitted the department significantly. *The Highway Department estimates that four more years of an accelerated program will mean all 172 miles of County Highway will have an improved base allowing for lower cost repairs after that.*

Revenues in the form of fees are an important source of funding. Ensuring fees charged in all departments are adjusted over time and reflect actual costs helps keep taxes down and provides funding for essential county services. Fee adjustments were considered at the committee level in all departments in 2021 for 2022.

5. 2020 Trends:

Levy Trend: The following graph shows the relationship between tax levy and mill rates over the past 20 years. In 2020 one of the largest shifts in the mill levy took place, with a .51 mill levy increase.

BAYFIELD COUNTY TAX LEVY AND MILL RATES



County Valuation

Equalized valuation for Bayfield County was **\$2.76 billion** in 2010. The 2021 equalized valuation figure rose 7% this year to **\$2.92 billion**. This is the highest valuation ever for Bayfield County.

Valuation figures for Bayfield County municipalities are shown below for the current year. The Town of Drummond has the highest growth at 13%. The Town of Clover is the lowest at -6%. In 2021, there are 3 municipalities with negative valuation.

2021 MUNICIPAL VALUATION CHANGE

Barksdale: 7%	Delta: 10%	Keystone: 5%	Port Wing: 5%
Barnes: 7%	Drummond: 13%	Lincoln: 9%	Russell: 6%
Bayfield: 6%	Eileen: 6%	Mason: 6%	Tripp: 8%
Bayview: 6%	Grand View: 8%	Namakagon: 6%	Washburn: 8%
Bell: 6%	Hughes 12%	Orienta: 9%	Mason Village: 7%
Cable: 10%	Iron River: 9%	Oulu: -4%	Bayfield City: -2%
Clover: -6%	Kelly: 3%	Pilsen: 6%	Washburn City: 11%

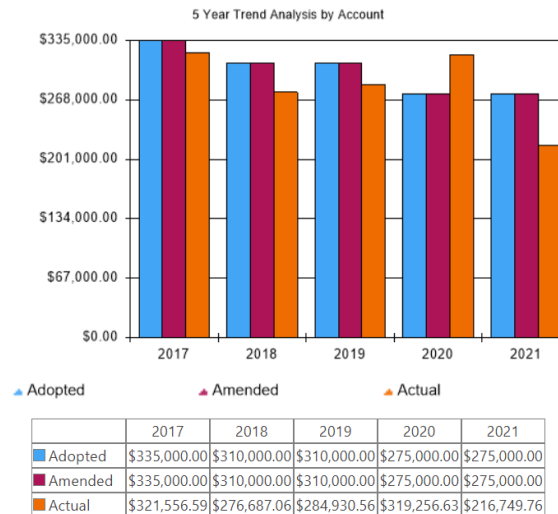
Revenues:

Interest Earnings: In 2007 interest earnings in the County peaked at over \$773,000. Total Projections in 2021 are at \$490,000 for the Treasurer's Office.

Interest income earned over the last five years are shown below, the estimated figure for interest on taxes in 2022 is \$285,000.

100-12-41810 (General-Treasurer-Interest on Taxes)

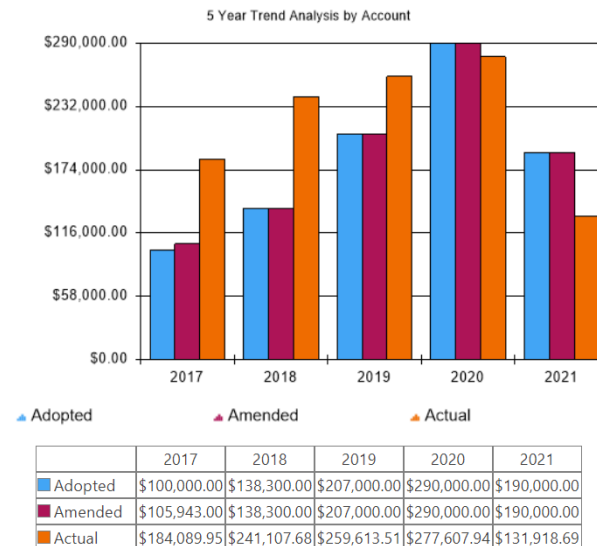
Classification **Taxes, Interest and Penalties on Taxes**



Interest income is also anticipated to decline. Here is the five year trend:

100-12-48110 (General-Treasurer-Interest Income)

Classification **Misc Revenues, Interest income**



Sales Tax: 2021 Sales Tax Projections are up dramatically. The graph below shows the 2021 v 2020 comparison. As of August 2021 revenues are up \$189,000 over the previous year at this same time. \$1.4 million is estimated in 2022. Estimates from WCA were not available at the time of this budget proposal, amendments may be proposed as projections are released.

Monthly Sales Tax Distributions

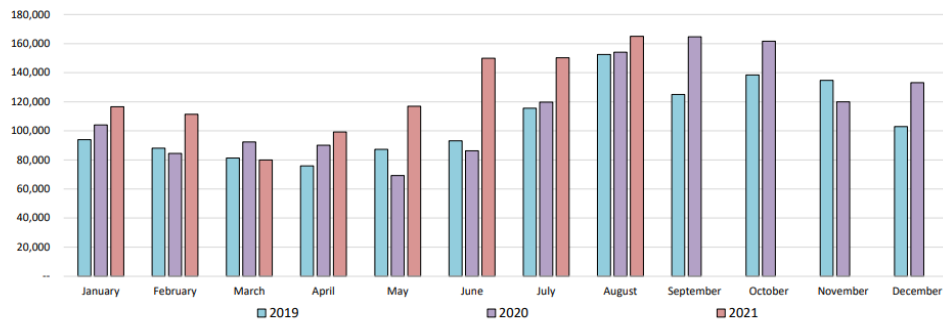
Year	January	February	March	April	May	June	July	August	September	October	November	December
2019	93,891	88,024	81,318	75,853	87,264	93,081	115,570	152,483	125,026	138,468	134,677	102,919
2020	104,104	84,435	92,329	90,074	69,199	86,269	119,739	154,104	164,651	161,660	119,997	133,137
2021	116,600	111,346	79,987	99,203	116,901	149,954	150,230	165,057	--	--	--	--

Year-to-Date Sales Tax Distributions

Year	January	February	March	April	May	June	July	August	September	October	November	December
2019	93,891	181,914	263,232	339,085	426,349	519,430	635,000	787,483				
2020	104,104	188,538	280,868	370,942	440,140	526,410	646,149	800,253				
2021	116,600	227,945	307,932	407,136	524,037	673,991	824,221	989,278				

'21 vs '20 (%)	12.0%	20.9%	9.6%	9.8%	19.1%	28.0%	27.6%	23.6%				
'21 vs '20 (\$)	12,496	39,407	27,065	36,194	83,897	147,582	178,073	189,025				

Monthly Sales Tax Distributions (2019-2021)



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Financial Strategies For Stronger Communities

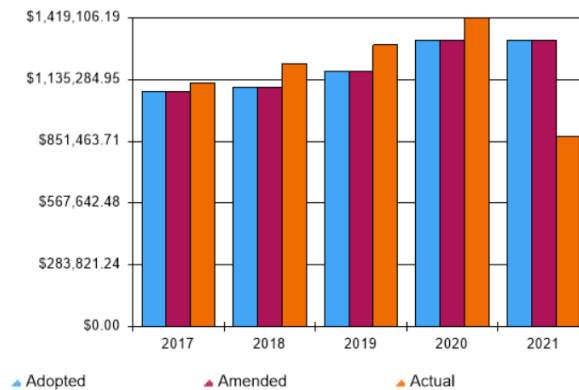
Brian Della, CFA
bdella@pmanetwork.com

The five-year sales tax history for Bayfield County is shown below:

100-00-41221 (General-General Fund-Sales Tax)

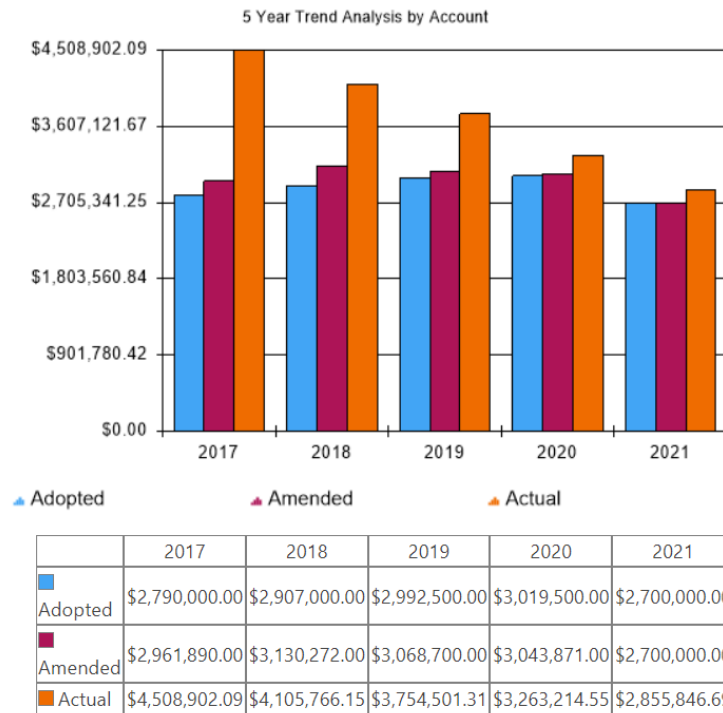
Classification Taxes, Interest and Penalties on Taxes

5 Year Trend Analysis by Account



	2017	2018	2019	2020	2021
Adopted	\$1,079,000.00	\$1,100,000.00	\$1,173,049.00	\$1,316,000.00	\$1,316,000.00
Amended	\$1,079,000.00	\$1,100,000.00	\$1,173,049.00	\$1,316,000.00	\$1,316,000.00
Actual	\$1,119,347.90	\$1,207,692.59	\$1,295,197.45	\$1,419,106.19	\$872,678.45

Forestry Revenues: Forestry revenues for sale of wood have declined from 2017 after the market peaked in 2016. In 2011 wood sales were \$2.144 million. In 2017 actual receipts were \$4.5 million, over double the 2011 figures. In 2020, \$3.2 million was received. In 2022 \$2.8 million is budgeted for county forest sale of wood. Details are in the Forest Budget Section. The graph below shows year to date (early September) revenues.



Payroll Expenditures

Wages and Benefits The budget was prepared with a step increase for all departments with a 2% indexing of the wage scale. A step increase for non-union employees is 2.5%, whereas step increases for Teamsters and Deputies varies by contract.

Health Insurance rates for 2022 for both the Teamster and State Plans are not available yet. A 6% adjustment is included in the budget. The budget document, however, also includes removal of a 20% surcharge for the State Health Plan. This has helped to drive down payroll expenses in 2022 by approximately \$400,000. This is the last year of the decrease. More details are in the Personnel Section of the Budget.

Capital Projects in 2022

A detailed listing is included in the Capital Improvement Section of the budget. A few highlights include:

- Intergovernmental: County Wide Wage Assessment
- Board: Artesian Well Study, Fair Grounds Horse Arena
- Courthouse: HVAC upgrades, Grand View Garage Repairs, Microgrid/Generator, Floors
- Sheriff: Jail/Annex Roof
- Emergency Management: WISCOM radio improvements for Sheriff and Highway and Local government repeater upgrades for fire and EMS.
- Land Records: LIDAR flights for Land Records, Forestry and Zoning.
- Health: Health Infrastructure Grant for Towns.

- IT: Storage: Laptops, software licensing.
- Forestry: Forest roads, Trail and campground maintenance and improvements, equipment for new position.
- Human Services: Software
- Highway: Generator/Micro-grid, Mason Garage Paving.

Budget Highlights: Historically certain line items have been of particular interest to board members. Here is a listing of some of these. Additional funding requests were received from the Airports and Economic Development Corporation. Actual requests are at the end of the budget book.

- Bayfield County Economic Development Funding, \$79,500 is recommended. No change from previous year.
- Great Lakes Visitor Center, proposed funding at \$9,000, same as 2021.
- Airport Funding, both airports, Ashland (\$10,000) and Cable (\$8500) have requested additional funding in 2022 for these special project matches. A onetime allocation of an additional \$5000 each is included in the budget.

January 1, 2021, Fund Balance Summary

End of year 2020 Fund Balances are shown below. Unassigned balances are those available to the county. These are the funds the county has historically used to pay one-time expenses.

The total unassigned balance for Government Funds at the end of 2020 is: \$4.3 million, down dramatically from \$9.1 million in 2019.

Unrestricted totals for end of year 2020 Internal Services Funds (motor pool, Copiers and Sheriff Vehicles) are identical to 2019 at \$314,000.

County Fund Balances increased in 2020 to \$17.1 million. The audit page below shows overall fund balance figures for January 1, 2020.

DRAFT 08/23/21

Bayfield County

Balance Sheet
Governmental Funds
December 31, 2020

	General Fund	Human Services Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 13,686,154	\$ 1,039,522	\$ 1,270,853	\$ 15,996,529
Receivables, net:				
Taxes	5,553,054	1,817,788	459,542	7,830,384
Delinquent taxes	1,863,298	-	-	1,863,298
Accounts	1,355,852	868,659	178,781	2,403,292
Notes	678,718	-	789,170	1,467,888
Materials, supplies, and prepaid items	15,027	-	-	15,027
Total assets	\$ 23,152,103	\$ 3,725,969	\$ 2,698,346	\$ 29,576,418
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 745,386	\$ 566,244	\$ 122,345	\$ 1,433,975
Accrued liabilities	454,246	55,245	-	509,491
Total liabilities	1,199,632	621,489	122,345	1,943,466
Deferred inflows of Resources				
Unearned revenues	6,370,630	1,877,297	468,232	8,716,159
Unavailable revenues	480,988	445,774	811,250	1,738,012
Total deferred inflows of resources	6,851,618	2,323,071	1,279,482	10,454,171
Fund Balances				
Nonspendable	2,557,043	-	-	2,557,043
Restricted	448,054	148,631	190,553	787,238
Committed	115,763	435,000	1,105,966	1,656,729
Assigned	7,651,234	197,778	-	7,849,012
Unassigned	4,328,759	-	-	4,328,759
Total fund balances	15,100,853	781,409	1,296,519	17,178,781
Total liabilities, deferred inflows of resources, and fund balances	\$ 23,152,103	\$ 3,725,969	\$ 2,698,346	\$ 29,576,418

FUNDS THAT LEVY

Bayfield County has five principal funds that utilize levy dollars these include. The Human Services Fund returns excesses (except for the risk reserve) back to the General Fund.

- General Fund
- Highway Fund
- Human Services Fund
- Veteran's Relief
- Animal Control

HUMAN SERVICES END OF YEAR RETURN TO GENERAL FUND:

2001 - \$616,391	2006: \$460,000 (less
2002 - \$709,343	\$125,000 that went to
2003 - \$486,838	reserve)
2004 - \$0	2007: \$609,509
2005 - \$7961	2008: \$606,000

2009: \$265,000
2010: \$529,204
2011: \$89,000
2012: \$61,729
2013: \$96,996
2019: \$640,889

2014: \$158,360
2015: \$40,988
2016: \$133,000
2017: \$-91,895
2018: \$286,910
2020: \$745,694

BUDGET FORMAT

The budget book is broken down into six sections.

- The introductory section includes summary information on the county budget.
- Section one “General Data & Personnel” contains demographic information, a list of County Board Supervisors and County Organizational Chart, as well as personnel related data.
- The second section “Budget Direction” contains minutes of planning meetings setting forth the county’s direction and the budget timeline. All individual departments, except Highway and Human Services are included in section three “General Fund”.
- Section four “Major Funds” includes three major funds that use levy dollars, which are not General Fund Departments: Highway, Human Services, and Capital Improvements.
- Section five “Other Funds” identifies internal service fund budgets. These funds, with the exception of the Veteran’s Relief fund and Dog License fund, do not use levy dollars to support them.
- The final section or appendix includes requests for funding from various groups that have made a budget request.

Each fund and department section includes a budget summary together with a short narrative section including a department’s function, accomplishments of the current year, goals for the next year, emerging performance measures and staffing flow charts. The second part of each section includes the budget detail. ***Please note that the top paragraph of the budget summary is the Administrator’s recommendation.*** This modified figure reflects updated payroll information as well as recommended adjustments, increases and reductions. The department’s original proposal is in the **Department Column** in every budget.

Thanks to all departments for their effort and forethought for the 2022 year. The County Clerk’s Office plays a critical role in the budget process. Thank you, Kim, Paige, Gail, Jeran and Lynn!

Special thanks to Kim Mattson for providing accounting advice and direction and Kris Kavajecz and Paige Terry for their perseverance on this ever-evolving effort. 😊

A budget is a plan for the future. We have a plan.

Respectively Submitted,



Mark Abeles-Allison
County Administrator